

PRESS RELEASE

HEALTH AND HUMAN SERVICES AGENCY



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SCHWARZENEGGER ADMINISTRATION SECURES FEDERAL APPROVAL OF FLEXIBLE FOSTER CARE FUNDING

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SACRAMENTO – The Schwarzenegger Administration today announced that the U.S. Department of Health and Human Services has approved California's waiver to provide counties with unprecedented flexibility in using foster care funds to offer innovative services to keep children out of foster care and in safe, stable homes.

"This waiver will give California the flexibility it needs to keep children in safe, permanent and loving homes," said Governor Arnold Schwarzenegger. "I applaud the federal government for understanding California's unique needs so the state can better serve its foster children."

Added Kim Belshé, secretary of the California Health and Human Services Agency, "This is truly an historic day for California. After two years of negotiating, we are one of the first states to receive approval for counties to use foster care funds to offer services that will help keep more children with their families and prevent children from entering foster care."

The Title IV-E Child Welfare Waiver Demonstration Project will allow up to 20 counties to participate in a five-year program focused on prevention and intervention strategies aimed at keeping children in their homes. Previous waiver funding could only be used for foster care payments and services to support children already in foster care. Under the waiver, children at risk are less likely to be placed in institutions as preventive services will now be provided to families in crisis, which alleviates the need for removing children from the home and placing into costly and restrictive foster care settings.

During a Capitol press conference today, state and local officials hailed the waiver as a tremendous success for California and the more than 80,000 abused and neglected children in the child welfare services system.

"Ensuring that children are safe and healthy is a top priority for the Schwarzenegger Administration as well as our county colleagues," said Belshé. "By working collaboratively with county partners, we secured a waiver that provides much-needed flexibility in helping keep families stable and united."

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Other terms of the waiver allow participating counties to receive federal budget protection over the five-year project and a guaranteed 2 percent funding increase each year. If counties successfully reduce expenditures through fewer foster care placements, savings can be reinvested to encourage family unity and stability.

“This waiver is revolutionary and completely changes the financial incentives within the child welfare system for the state and county,” said David Sanders, director of Los Angeles County’s Department of Children and Family Services. Los Angeles County is participating in the waiver project and will use at least \$360 million of its budget to fund services to reduce the need for foster care in the county.

“California’s children and families are the real winners,” said Cliff Allenby, director of the California Department of Social Services (CDSS). “The federal funding guarantees in the waiver will hopefully encourage the maximum number of counties to participate.”

The Governor’s 2006-07 budget proposal complements the waiver project and demonstrates his Administration’s commitment to putting children first. The proposal contains a total of \$3.8 billion to maintain and increase funding for social services programs, including:

- \$6.8 million to fund 1,000 annual adoptions for hard-to-place foster children;
- \$2.5 million for the Kinship Support Services Program to help keep children in homes with their relatives;
- \$26.6 million to support county improvement projects focused on safety, permanency and well-being of children and families;
- \$1.4 million to augment the Transitional Housing Foster Youth Fund to help assist youth transitioning into independent living; and
- \$7.7 million to implement legislation that encourages adult mentors for older children and foster youth.

Implementation of California’s waiver project is expected to begin between October 1, 2006, and January 1, 2007. CDSS will continue working closely with counties to develop a detailed design, implementation and strategic plan for counties electing to participate. The plan must be approved by the U.S. Department of Health and Human Services before the waiver can commence.

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